

# 2006 Revenue Review

In 2006, 96.1% of all tax revenue collected by the State of Nebraska was collected by the Nebraska Department of Revenue. Tax collections for the year were \$4,063 million, an increase of \$217 million or 5.6% above 2005. The receipts from permits, fees, and licenses collected by the department were \$200 thousand, a decrease of 23.4% from the previous year.

Over three-quarters of the department's net tax receipts in 2006 were from state sales tax and income taxes. Net individual income tax receipts increased \$165 million to \$1,614 million in 2006, an increase of 11.4% from 2005. Net receipts from corporation income tax were \$228.9 million in 2006, down \$12.8 million or 5.3% from 2005. Net state sales and use tax receipts for 2006 totaled \$1,336 million, an increase of \$88 million or 7.1% above 2005. Sales tax receipts included \$155.9 million of sales tax on motor vehicles.

The largest share of tax revenue is deposited in the State General Fund. General Fund revenue sources accounted for 80.2% of the total revenue collected by the Department of Revenue in 2006. Sales and income taxes are the primary sources of General Fund revenue.

Motor fuels taxes and sales tax on motor vehicles are deposited in state highway funds. Revenue deposited in the Highway Trust Fund, Highway Allocation Fund, and the Highway Cash Fund accounted for 11.4% of revenue collections.

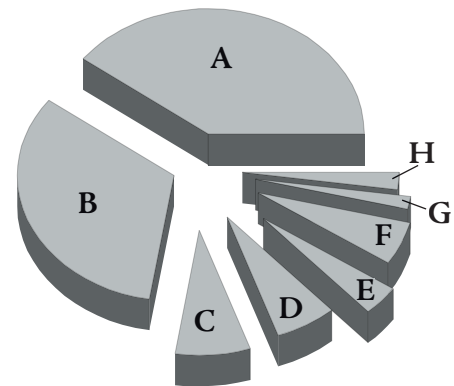
In 2006, 6.9% of revenue collections were distributed to local governments. City sales tax and county lodging tax are collected by the Nebraska Department of Revenue and distributed directly to cities and counties.

Revenue deposited in other governmental funds accounted for the remaining 1.5% of collections.

The major state revenue sources are described beginning on page 7. The descriptions include the basis and current tax rate, due dates of reports and payments, administering agencies or officials, and the manner of distribution of each tax or fee.

## Sources of Revenue

<b>A</b>	Individual Income Tax .....	39.8%
<b>B</b>	State Sales and Use Tax .....	32.9%
<b>C</b>	Motor Fuels Taxes.....	7.6%
<b>D</b>	City Sales Tax .....	6.5%
<b>E</b>	Sales Tax on Motor Vehicles.....	3.8%
<b>F</b>	Corporation Income Tax.....	5.6%
<b>G</b>	Cigarette Tax .....	1.6%
<b>H</b>	Other Collections .....	2.2%



## Distribution of Revenue

<b>A</b>	General Fund.....	80.2%
<b>B</b>	Highway and Road Funds* .....	11.4%
<b>C</b>	Local Governments .....	6.9%
<b>D</b>	Other Funds .....	1.5%

\* Includes the Highway Trust Fund, Highway Allocation Fund, and Highway Cash Fund.

